

Message Text

UNCLASSIFIED

PAGE 01 JAKART 03212 101017Z

22

ACTION EA-09

INFO OCT-01 ISO-00 EB-07 /017 W
----- 068795

P 100626Z MAR 76
FM AMEMBASSY JAKARTA
TO USDOC WASHDC PRIORITY
INFO SECSTATE WASHDC 3133

UNCLAS JAKARTA 3212

USDOC FOR MEPD (PHILBRICK)

E.O. 11652: NA

TAGS: BENC, BEXP, EFIN, ID

SUBJ: TENDER FOR SIX BKU/PNP SUGAR MILLS

REF: JAKARTA 3159

1. EMBASSY HAS RECEIVED TELEX FROM NED JEWETT OF ARKEL ASKING WHETHER EMBASSY NOW BELIEVES IMPOSSIBLE THAT BKU/PNP SUGAR MILL WILL BE AWARDED TO U.S. BIDDER AND WHAT REASONS GOI GIVING FOR NON-U.S. INVOLVEMENT.

2. EMBASSY REQUESTS PHILBRICK TELEPHONE JEWETT IN BATON ROUGE (504-387-5233) AND CONVEY TELEPHONE SUBSTANCE OF REFTEL. PLEASE ALSO POINT OUT THAT DESPITE BLEAK CURRENT PICTURE, IN INDONESIA GAME IS NEVER OVER UNTIL FINAL CONTRACT SIGNED-- AND SOMETIMES NOT RPT NOT EVEN THEN. LONGER WE CAN EXTZND THE GAMZ, MORE MANEUVERABILITY WE GAIN, E.G., KATY FULTON PC APPLICATION.

3. GOI OFFICIALS HAVE ASSURED EMBASSY THAT THEY STILL IN "TECHNICAL DISCUSSIONS" AND HAVE NOT RPT NOT YET REACHED POINT OF CONSIDERING CONTRACT AWARD. WHILE SUCH STATEMENT MUST BE PLACED IN PERSPECTIVE, SINCE OBVIOUSLY GOI HAS AT LEAST TENTATIVELY REDUCED NUMBER OF PRIME COMPETITORS, IT LEAVES OPEN POSSIBILITY THAT ONCE ALL FACTORS ARE THOROUGHLY ANALYSED U.S. BIDS MAY APPEAR MORE COMPETITIVE THAN ORIGINALLY THOUGHT. ULTIMATELY GREAT
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DEAL MAY DEPEND ON WHETHER ARKEL WAS CORRECT IN ITS

EARLIER ASSESSMENT THAT WHEN EVERYTHING IS OUT ON TABLE
AMERICAN PRICES WILL BE SUBSTANTITALLY LOWER THAN EUROPEAN
PRICES. EMBASSY EXPECTS EUROPEAN FIRMS PARTICIPATING IN
MEETINGS WILL BEEF UP THEIR PROPOSALS SUFFICIENTLY MEET
GOI REQUIREMENTS AND THUS SUBSTANTIALLY OFFSET U.S.
TECHNICAL ADVANTAGE. U.S. FINANCIAL PACKAGE WILL AT BEST
ONLY APPROACH EUROPEANS'. THUS SIGNIFICANT PRICE
ADVANTAGE LIKELY BE ONE FACTOR WHICH MIGHT BE
DRAMATIC ENOUGH PERSUADE GOI INVITE
U.S. BACK IN RUNNING.
NEWSOM

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Message Attributes

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Disposition Event:
Disposition History: n/a
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Margaret P. Grafeld
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